

125 GENERAL ELIGIBILITY TEST
ABC Company Cafeteria Plan
Plan Year: 01/01/2011 - 12/31/2011

Total non-excludable NHCEs:	9
Total non-excludable employees:	12
NHCE concentration percentage:	75%
Safe harbor percentage:	38.75%
Unsafe harbor percentage:	28.75%
Non-excludable NHCEs eligible:	9
Total non-excludable NHCEs:	9
Non-excludable HCEs eligible:	3
Total non-excludable HCEs:	3
Ratio:	100%

The ratio must be equal to or greater than 38.75%.
If the ratio is equal to or less than 28.75%, the plan will fail.
If the ratio falls between the above numbers, the IRS will examine
the "relevant facts and circumstances of the employer" and may
(or may not) find the plan non-discriminatory.

***** THE PLAN PASSES *****

25% DEPENDENT TEST**ABC Company Cafeteria Plan****Plan Year: 01/01/2011 - 12/31/2011**

Number	Name	SSN	Key Reason	5% Owner	Not 5% Owner
18	Ach-Zambrano, Carlos	333-33-3333		0.00	3,000.00
	Debit, Joan	234-21-2456		0.00	4,800.00
	Fine, Larry	246-47-1200		0.00	4,200.00
Total Contributions:				0.00	12,000.00
Percentages:				0.00 %	100.00 %

***** Plan Passes Test *****

25% CONCENTRATION TEST**ABC Company Cafeteria Plan**

Plan Year: 01/01/2011 - 12/31/2011

Number	Name	SSN	Key Reason	Key Employee	Non-Key Employee
20	Ach-Zambrano, Carlos	333-33-3333		0.00	12,600.00
	Allen, Carl	123-45-6789		0.00	4,320.00
18	Debit, Joan	234-21-2456		0.00	11,208.00
	Fine, Larry	246-47-1200		0.00	6,120.00

Total Contributions: 0.00 34,248.00**Percentages: 0.00% 100.00 %******* Plan Passes Test *****

SECTION 129 55% AVERAGE BENEFIT TEST**ABC Company Cafeteria Plan**

Plan Year: 01/01/2011 - 12/31/2011

Top 20% Rule Used. (2)

Number	Name	SSN	H.C.E. Reason	H.C.E.	N.H.C.E.
	Ach-Zambrano, Carlos	333-33-3333	>5% Owner	3,000.00	0.00
18	Debit, Joan	234-21-2456		0.00	4,800.00
	Fine, Larry	246-47-1200		0.00	4,200.00

Total Contributions:	3,000.00	9,000.00
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Total non-excludable employees:	2	10
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Average benefits:	1,500.00	900.00
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% of benefits provided to NHCEs, compared to HCEs:	60 %
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The above number must be 55% or greater.

***** Plan Passes Test *****

MEDICAL FSA NONDISCRIMINATION TEST
ABC Company Cafeteria Plan
Plan Year: 01/01/2011 - 12/31/2011

70% Test

Total non-excludable participating employees:	4	
Total non-excludable employees:	12	Percentage = 33%

**** 70% Test Failed******70% / 80% Test**

Total eligible non-excludable employees:	12	
Total non-excludable employees:	12	Percentage = 100% (Passes)

Total participating, eligible employees:	4	
Total eligible employees:	12	Percentage = 33% (Fails)

**** 70% / 80% Test Failed ******Fair Cross-section Test**

Total non-excludable NHCEs:	9
Total non-excludable employees	12

NHCE concentration percentage:	75%
Safe harbor percentage:	38.75%
Unsafe harbor percentage:	28.75%

Non-excludable NHCEs eligible:	9
Total non-excludable NHCEs:	9

Non-excludable HCEs eligible:	3
Total non-excludable HCEs:	3

Ratio:	100%
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The ratio must be equal to or greater than 38.75%

If the ratio is equal to or less than 28.75%, the plan fails.

If the ratio falls between the above numbers, the IRS will examine the "Relevant facts and circumstances of the employer" and may (or may not) find the plan non-discriminatory.

**** THE PLAN PASSES ****